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Transmitted via Email

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MINNESOTA BULLETIN NO. 200-8-1

SUBJECT: ECN – 2008 ACTUAL COST DATA COLLECTION

**ACTION DUE BY: AUGUST 1, 2008**

Purpose. To provide guidance on the collection of actual cost data for FY2008.

Expiration date. September 30, 2008.

In Fiscal Year (FY) 2008 actual cost data will be collected on a representative number of all installed measures and practices. The main source of cost data will be obtained from documents collected from Farm Bill program participants through a random collection process. Additional information will be gathered at the State Office from suppliers, the Farm Service Agency, the Extension Service, and other sources.

Based on a review of the practices planned in Protracts, a strategy has been developed to collect sufficient cost data to update the Payment Schedules for FY 2009. The spreadsheet identifying the number of data collection points, per practice, per Area, that will be collected in FY 2008 from FY 2007 contracts will be sent under separate cover. A similar spreadsheet will be sent out for FY 2008 contracts once those contracts are approved. The cost data collection will be limited to FY 2007 and FY 2008 contracts only, from both EQIP and WHIP. Since practice costs from contracts prior to FY 2007 are significantly different from the current payment schedules, cost data will not be collected from FY 2006 and prior year contracts.

Each Area will identify the contracts from which payment documentation needs to be collected in a given planned application year. If FY 2007 actual cost data for FY 2007 has already been submitted, those data points are identified in the spreadsheet.

The actual cost data will be recorded in the Minnesota Actual Cost Data Collection Database. All data is entered and maintained at the State Office. The database will be updated annually to reflect changes in practices and scenarios.

The following description of responsibilities associated with the collection of actual cost data will be followed in FY2008. In future years, the Area office may be expected to assume additional responsibility, including entering data into the state database.

- The State Office will identify the number of data points per practice per Area from current 2007 contracts and future 2008 contracts.
- The Area Office will select the contracts from which data will be gathered, on a practice basis.
- Each District Conservationist is responsible for gathering receipts, invoices, bills and other associated cost data from Farm Bill program participants' contracts for the contracts selected by the Area Office. This information is provided to the Area office to be sent to the State Office. This information should not be housed in the participants' contract folders.
- The Area Office will summarize the cost data. The Actual Cost Data Collection Summary Sheet, which is attached to the bulletin as a word document and as an Excel file, can be used to summarize the cost data. The Area Office will submit a summary sheet and associated documentation (receipts, etc.) at least once during the fiscal year. The cost data collection process for FY 2008 will end on August 1, 2008. It is preferable that the data be sent in at least once per quarter.



- The State Office will review the data, enter the data in the Minnesota Actual Cost Data Collection Database, calculate average costs, revise the practice payment scenarios and submit the average cost data to the State Conservationist for approval. Once the State Conservationist has reviewed and approved the practice payment scenarios, the practice payment scenarios and supporting data will be uploaded into the eFOTG, Section I, Cost Data. The data may also be used for future program contracts.

The following table outlines the schedule of activities by discipline:

<b>Discipline</b>	<b>Item</b>	<b>Deadline</b>
District Conservationist	Cost Data Gathered	Ongoing
Area Office	Review and Summarize Cost Data Gathered by the District Conservationist, Submit the Cost Data to the State Office	No Later than August 1
State Office (Economist)	Review cost data, Enter the data into the Minnesota Actual Cost Data Collection Database, calculate average costs,	September 1
ASTC (Programs)	Revise practice payment scenarios, submit average costs to State Conservationist	September 1
State Conservationist	Review and approve average costs for use in program cost lists	September 15
State Office (Economist or respective Program Manager)	Average costs updated and posted on the eFOTG and ToolKit Cost Lists	October 1

If Field Offices or Area Offices have additional cost data information, such as custom rates, suppliers, or information from other local sources, they can submit that information along with the information from participants' contracts. Failure to submit cost data in a timely fashion will result in your Area's practice costs being excluded from subsequent average cost and practice scenario determinations.

If you have any questions regarding the collection of actual cost data, please contact Leah Duzy, Agricultural Economist, at (651) 602-7867 or [leah.duzy@mn.usda.gov](mailto:leah.duzy@mn.usda.gov).

/s/

WILLIAM HUNT  
State Conservationist

Attachments

DIST: ASTC (FO)  
District Conservationists  
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Leah Duzy, Economist, St. Paul, MN  
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